

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
Second Regular Session  
2002

CHAPTER 74

# HOUSE BILL 2075

AN ACT

AMENDING SECTION 20-2201, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF TITLE 20, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES; RELATING TO THE SMALL EMPLOYER REINSURANCE PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)



Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 20-2201, Arizona Revised Statutes, is amended to read:

20-2201. Voluntary plans; assessments; fund

A. If the director finds after a hearing that in any part of this state any liability insurance coverage is not readily available in the voluntary insurance market and that the public interest requires such availability, he THE DIRECTOR may authorize the formation of voluntary plans to provide the coverage for any class or classes of risk in this state which are entitled to but otherwise unable to obtain the coverage. The director may request insurers, agents and brokers to prepare the plans or assist as needed in the preparation and administration of the plans.

B. A plan formulated pursuant to this section shall give consideration to all of the following:

1. The need for adequate and readily accessible coverage.
2. Alternative methods of improving the market affected.
3. Inherent limitations of providing coverage.
4. The need for reasonable underwriting standards.
5. The requirement of reasonable loss prevention measures.

C. The plans shall establish procedures that will encourage use of the voluntary insurance market as a condition of placement of coverage through the plan.

D. The director may annually assess each insurer authorized to transact liability insurance in this state up to two hundred dollars for the costs of administering the plan. Monies collected from assessments shall be deposited in the ~~assessments~~ ASSESSMENT fund FOR VOLUNTARY PLANS established by ~~section 20-2351~~ SUBSECTION E OF THIS SECTION.

E. AN ASSESSMENT FUND FOR VOLUNTARY PLANS IS ESTABLISHED CONSISTING OF THE MONIES THAT ARE DEPOSITED PURSUANT TO SUBSECTION D OF THIS SECTION. THE DIRECTOR SHALL ADMINISTER THE FUND MONIES AS A CONTINUING APPROPRIATION FOR THE PURPOSES PROVIDED FOR IN THIS SECTION. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

Sec. 2. Delayed repeal

Title 20, chapter 13, article 2, Arizona Revised Statutes, is repealed from and after December 31, 2002.

Sec. 3. Small employer reinsurance program board; procedure to terminate program

On the effective date of this act, the small employer reinsurance program board established pursuant to section 20-2343, Arizona Revised Statutes, shall not accept any new reinsurance risks. The board shall take all necessary actions to terminate the small employer reinsurance program pursuant to the plan of operation approved by the director of the department of insurance pursuant to section 20-2343, subsection D, Arizona Revised Statutes.

1       Sec. 4. Transfer of monies to assessment fund for voluntary  
2                   plans

3       On the effective date of this act, the director of the department of  
4 insurance shall identify those monies that are attributed to the assessments  
5 provided for in section 20-2201, Arizona Revised Statutes, and that were  
6 deposited in the assessment fund established by section 20-2351, Arizona  
7 Revised Statutes, and transfer these monies to the assessment fund for  
8 voluntary plans established by section 20-2201, Arizona Revised Statutes.

APPROVED BY THE GOVERNOR APRIL 29, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2002.



Passed the House February 5, 2002,

by the following vote: 56 Ayes,

0 Nays, 4 Not Voting

**Speaker of the House**

**Chief Clerk of the House**

Passed the Senate April 10, 2002

by the following vote: 97 Ayes,

0 Nays, 1 Not Voting

**President of the Senate**

**Secretary of the Senate**

**EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR**

**This Bill was received by the Governor this**

day of July, 2011,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

**Secretary to the Governor**

Approved this 11 day of July

\_\_\_\_\_ , 20 \_\_\_\_\_ ,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

**Governor of Arizona**

**EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE**

**This Bill was received by the Secretary of State**

this 1 day of July, 2011,

at            o'clock            M.

**Secretary of State**

**H.B. 2075**

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

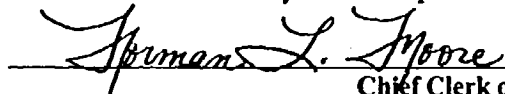
April 25, 2002,

by the following vote: 54 Ayes,

0 Nays, 6 Not Voting



Speaker of the House



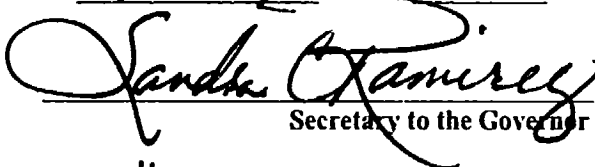
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

25 day of April, 2002,

at 1:52 o'clock P M.



Secretary to the Governor

Approved this 29<sup>th</sup> day of

April, 2002,

at 1:57 o'clock P M.



Governor of Arizona

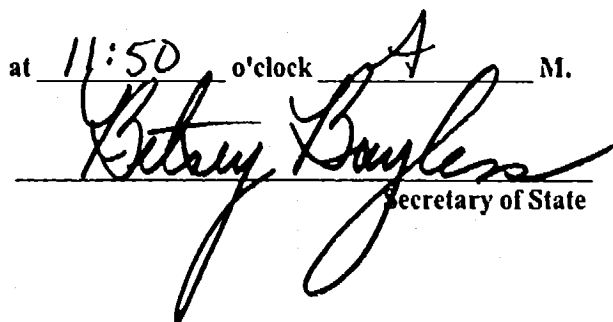
H.B. 2075

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30 day of April, 2002,

at 11:50 o'clock A M.



Secretary of State